

Senate Study Bill 3138 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
LOCAL GOVERNMENT BILL BY
CHAIRPERSON WILHELM)

A BILL FOR

1 An Act relating to the powers and duties of county treasurers
2 related to real property by modifying provisions for the
3 payment of taxes and assessments in installments, modifying
4 provisions providing for the apportionment of installment
5 payments on delinquent taxes, modifying certain tax payment
6 provisions following a tax sale, and specifying procedures
7 for the payment of certain prorated taxes and assessments
8 following a real estate transaction.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 161A.35, unnumbered paragraph 1, Code
2 2011, is amended to read as follows:

3 If the owner of any premises against which a levy exceeding
4 ~~one~~ five hundred dollars has been made and certified shall,
5 within thirty days from the date of such levy, agree in writing
6 in a separate agreement, that in consideration of having a
7 right to pay the owner's assessment in installments, the
8 owner will not make any objection as to the legality of the
9 assessment for benefit, or the levy of the taxes against the
10 owner's property, then such owner shall have the following
11 options:

12 Sec. 2. Section 311.17, subsection 1, Code 2011, is amended
13 to read as follows:

14 1. If an owner other than the state or a county or city,
15 of any tracts of land on which the assessment is more than
16 ~~one~~ five hundred dollars, shall, within twenty days from the
17 date of the assessment, agree in writing filed in the office
18 of the county auditor, that in consideration of the owner
19 having the right to pay the assessment in installments, the
20 owner will not make any objection of illegality or irregularity
21 as to the assessment upon the real estate, and will pay the
22 assessment plus interest, the assessment shall be payable in
23 ten equal installments. The first installment shall be payable
24 on the date of the agreement. The other installments shall be
25 paid annually at the same time and in the same manner as the
26 September semiannual payment of ordinary taxes with interest
27 accruing as provided in section 384.65, subsection 3. The
28 rate of interest shall be as established by the board, but not
29 exceeding that permitted by chapter 74A.

30 Sec. 3. Section 311.19, unnumbered paragraph 1, Code 2011,
31 is amended to read as follows:

32 Assessments of ~~one~~ five hundred dollars or less against
33 any tract of land, and assessments against lands owned by the
34 state, county, or city, shall be due and payable from the date
35 of levy by the board of supervisors, or in the case of any

1 appeal, from the date of final confirmation of the levy by the
2 court.

3 Sec. 4. Section 331.384, subsection 3, Code 2011, is amended
4 to read as follows:

5 3. If any amount assessed against property under this
6 section exceeds ~~one~~ five hundred dollars, a county may permit
7 the assessment to be paid in up to ten annual installments
8 in the same manner and with the same interest rates provided
9 for assessments against benefited property under chapter 384,
10 division IV.

11 Sec. 5. Section 357.20, Code 2011, is amended to read as
12 follows:

13 **357.20 Due date — bonds.**

14 Assessments of ~~less than one~~ five hundred dollars or less
15 will come due at the first taxpaying date after the approval of
16 the final assessment, and assessments of ~~one hundred dollars~~
17 ~~or~~ more than five hundred dollars may be paid in ten annual
18 installments with interest on the unpaid balance at a rate
19 not exceeding that permitted by chapter 74A. The board of
20 supervisors shall issue bonds against the completed assessment
21 in an amount equal to the total cost of the project, so that
22 the amount of the assessment will be approximately ten percent
23 greater than the amount of the bonds.

24 Sec. 6. Section 358.16, subsection 3, Code 2011, is amended
25 to read as follows:

26 3. If any amount assessed against property pursuant to
27 this section will exceed ~~one~~ five hundred dollars, the board
28 of trustees may permit the assessment to be paid in up to ten
29 annual installments, in the manner and with the same interest
30 rates as provided for assessments against benefited property
31 under chapter 384, division IV.

32 Sec. 7. Section 364.13, Code 2011, is amended to read as
33 follows:

34 **364.13 Installments.**

35 If any amount assessed against property under section 364.12

1 will exceed ~~one~~ five hundred dollars, a city may permit the
2 assessment to be paid in up to ten annual installments, in
3 the same manner and with the same interest rates provided for
4 assessments against benefited property under chapter 384,
5 division IV.

6 Sec. 8. Section 384.60, subsection 1, paragraph b, Code
7 2011, is amended to read as follows:

8 b. State the number of annual installments, not exceeding
9 fifteen, into which assessments of ~~one~~ more than five hundred
10 dollars ~~or more~~ are divided.

11 Sec. 9. Section 384.65, subsection 1, Code 2011, is amended
12 to read as follows:

13 1. The first installment of each assessment, or the total
14 amount if ~~less than one~~ five hundred dollars or less, is due
15 and payable on July 1 next succeeding the date of the levy,
16 unless the assessment is filed with the county treasurer after
17 May 31 in any year. The first installment shall bear interest
18 on the whole unpaid assessment from the date of acceptance of
19 the work by the council to the first day of December following
20 the due date.

21 Sec. 10. Section 435.24, subsection 6, paragraph b, Code
22 2011, is amended to read as follows:

23 b. Partial payment of taxes which are delinquent may be
24 made to the county treasurer. For the installment being paid,
25 payment shall first be applied toward any interest, fees, and
26 costs accrued and the remainder applied to the tax due. A
27 partial payment must equal or exceed the interest, fees, and
28 costs of the installment being paid. A partial payment made
29 under this paragraph shall be apportioned in accordance with
30 section 445.57, however, such partial payment may, at the
31 discretion of the county treasurer, be apportioned either on
32 or before the tenth day of the month following the receipt of
33 the partial payment or on or before the tenth day of the month
34 following the due date of the next semiannual tax installment.
35 If the payment does not include the whole of any installment

1 of the delinquent tax, the unpaid tax shall continue to accrue
2 interest pursuant to section 445.39. Partial payment shall not
3 be permitted in lieu of redemption if the property has been
4 sold for taxes under chapter 446 and under any circumstances
5 shall not constitute an extension of the time period for a sale
6 under chapter 446.

7 Sec. 11. Section 445.36A, subsection 2, Code 2011, is
8 amended to read as follows:

9 2. Partial payment of taxes which are delinquent may be
10 made to the county treasurer. For the installment being paid,
11 payment shall first be applied to any interest, fees, and costs
12 accrued and the remainder applied to the taxes due. A partial
13 payment must equal or exceed the amount of interest, fees,
14 and costs of the installment being paid. A partial payment
15 made under this subsection shall be apportioned in accordance
16 with section 445.57, however, such partial payment may, at the
17 discretion of the county treasurer, be apportioned either on
18 or before the tenth day of the month following the receipt of
19 the partial payment or on or before the tenth day of the month
20 following the due date of the next semiannual tax installment.
21 If the payment does not include the whole of any installment
22 of the delinquent tax, the unpaid tax shall continue to accrue
23 interest pursuant to section 445.39. Partial payment shall not
24 be permitted in lieu of redemption if the property has been
25 sold for taxes under chapter 446 and under any circumstances
26 shall not constitute an extension of the time period for a sale
27 under chapter 446.

28 Sec. 12. Section 445.57, unnumbered paragraph 1, Code 2011,
29 is amended to read as follows:

30 On or before the tenth day of each month, the county
31 treasurer shall apportion all taxes collected during the
32 preceding month, except partial payment amounts collected
33 pursuant to section 445.36A, subsection 1 and, partial payments
34 collected and not yet designated by the county treasurer
35 for apportionment pursuant to section 445.36A, subsection

1 2, partial payments collected pursuant to section 435.24,
2 subsection 6, paragraph "a", and partial payments collected and
3 not yet designated by the county treasurer for apportionment
4 pursuant to section 435.24, subsection 6, paragraph "b", among
5 the several funds to which they belong according to the amount
6 levied for each fund, and shall apportion the interest, fees,
7 and costs on the taxes to the general fund, and shall enter
8 those amounts upon the treasurer's cash account, and report the
9 amounts to the county auditor.

10 Sec. 13. Section 446.32, Code 2011, is amended to read as
11 follows:

12 **446.32 Payment of subsequent taxes by purchaser.**

13 The county treasurer shall provide to the purchaser of a
14 parcel sold at tax sale a receipt for the total amount paid
15 by the purchaser after the date of purchase for a subsequent
16 year. Taxes for a subsequent year may be paid by the purchaser
17 beginning one month and fourteen days following the date
18 from which an installment becomes delinquent as provided in
19 section 445.37. Notwithstanding any provision to the contrary,
20 a subsequent payment must be received and recorded by the
21 treasurer in the county system no later than five 5:00 p.m. on
22 the last business day of the month for interest for that month
23 to accrue and be added to the amount due under section 447.1.
24 However, the treasurer may establish a deadline for receipt of
25 subsequent payments that is other than five 5:00 p.m. on the
26 last business day of the month to allow for timely processing
27 of the subsequent payments. Late interest shall be calculated
28 through the date that the subsequent payment is recorded by
29 the treasurer in the county system. In no instance shall the
30 date of postmark of a subsequent payment be used by a treasurer
31 either to calculate interest or to determine whether interest
32 shall accrue on the subsequent payment.

33 Sec. 14. Section 468.57, subsection 1, Code Supplement
34 2011, is amended to read as follows:

35 1. If the owner of any land against which a levy exceeding

1 ~~one~~ five hundred dollars has been made and certified shall,
2 within thirty days from the date of such levy, agree in
3 writing endorsed upon any improvement certificate referred
4 to in section 468.70, or in a separate agreement, that in
5 consideration of having a right to pay the owner's assessment
6 in installments, the owner will not make any objection as to
7 the legality of the assessment for benefit, or the levy of the
8 taxes against the property, then such owner shall have the
9 following options:

10 *a.* To pay one-third of the amount of the assessment at the
11 time of filing the agreement; one-third within twenty days
12 after the engineer in charge certifies to the auditor that the
13 improvement is one-half completed; and the remaining one-third
14 within twenty days after the improvement has been completed
15 and accepted by the board. All installments shall be without
16 interest if paid at said times, otherwise the assessments shall
17 bear interest from the date of the levy at a rate determined by
18 the board notwithstanding chapter 74A, payable annually, and
19 be collected as other taxes on real estate, with like interest
20 for delinquency.

21 *b.* To pay the assessments in not less than ten nor more
22 than twenty equal installments, with the number of payments and
23 interest rate determined by the board, notwithstanding chapter
24 74A. The first installment of each assessment, or the total
25 amount if ~~less than one~~ five hundred dollars or less, is due
26 and payable on July 1 next succeeding the date of the levy,
27 unless the assessment is filed with the county treasurer after
28 May 31 in any year. The first installment shall bear interest
29 on the whole unpaid assessment from the date of the levy as set
30 by the board to the first day of December following the due
31 date. The succeeding annual installments, with interest on the
32 whole unpaid amount, to the first day of December following the
33 due date, are respectively due on July 1 annually, and must
34 be paid at the same time and in the same manner as the first
35 semiannual payment of ordinary taxes. All future installments

1 of an assessment may be paid on any date by payment of the then
2 outstanding balance plus interest to the next December 1, or
3 additional annual installments may be paid after the current
4 installment has been paid before December 1 without interest.
5 A payment must be for the full amount of the next installment.
6 If installments remain to be paid, the next annual installment
7 with interest added to December 1 will be due. After December
8 1, if a drainage assessment is not delinquent, a property owner
9 may pay one-half or all of the next annual installment of
10 principal and interest of a drainage assessment prior to the
11 delinquency date of the installment. When the next installment
12 has been paid in full, successive principal installments may
13 be prepaid. The county treasurer shall accept the payments
14 of the drainage assessment, and shall credit the next annual
15 installment or future installments of the drainage assessment
16 to the extent of the payment or payments, and shall remit the
17 payments to the drainage fund. If a property owner elects
18 to pay one or more principal installments in advance, the
19 pay schedule shall be advanced by the number of principal
20 installments prepaid. Each installment of an assessment with
21 interest on the unpaid balance is delinquent from October 1
22 after its due date. However, when the last day of September
23 is a Saturday or Sunday, that amount shall be delinquent from
24 the second business day of October. Taxes assessed pursuant
25 to this chapter which become delinquent shall bear the same
26 delinquent interest as ordinary taxes. When collected, the
27 interest must be credited to the same drainage fund as the
28 drainage special assessment.

29 Sec. 15. NEW SECTION. 558.47 Prorated property taxes —
30 payment.

31 When real property is transferred and prorated property
32 taxes or assessments on the property are calculated as part
33 of the transaction for payment by either the grantor or the
34 grantee, the closing agent, real estate agent, or attorney
35 shall, upon the receipt of any such payment for property taxes

1 or assessments, pay the entire amount to the county treasurer
2 or, if provided for in the transaction, to the designated
3 escrow agent. If paid to the county treasurer, the county
4 treasurer shall apply the amount to the tax liability of the
5 property in the manner described in section 445.36A.

6

EXPLANATION

7 This bill makes several changes to the powers and duties of
8 county treasurers relating to real property.

9 The bill amends Code section 161A.35, relating to
10 installment payments on amounts levied against property for
11 watershed protection and flood prevention improvements, by
12 increasing from \$100 to \$500 the amount levied against a
13 property in order to allow installment payments.

14 The bill amends Code section 311.17, relating to secondary
15 road assessment payments, by increasing from more than \$100
16 to more than \$500 the amount owed by the taxpayer before the
17 amount may be paid in installments. The bill also specifies
18 that such assessments of \$500 or less are due and payable from
19 the date of levy by the board of supervisors, or in the case of
20 any appeal, from the date of final confirmation of the levy by
21 the court.

22 The bill amends Code sections 331.384 and 364.13, relating
23 to special assessments on property for the abatement of
24 specified public health and safety hazards, by increasing
25 from more than \$100 to more than \$500 the amount owed by the
26 taxpayer before the amount may be paid in installments.

27 The bill amends Code section 357.20 to increase from \$100 or
28 more to \$500 or more the amount owed by a taxpayer in a water
29 district before the amount may be paid in installments.

30 The bill amends Code section 358.16 to increase from \$100 or
31 more to \$500 or more the amount owed by a taxpayer in a sanitary
32 district before the amount may be paid in installments.

33 The bill amends Code chapter 384, relating to city special
34 assessments, to increase from \$100 or more to \$500 or more the
35 amount owed by a taxpayer for a city special assessment before

1 the amount may be paid in installments.

2 Current Code sections 435.24(6)(b) and 445.36A(2) allow
3 for the partial payment of taxes which are delinquent to the
4 county treasurer. Current Code section 445.57 provides that
5 such partial payments are to be apportioned monthly to the
6 various local taxing entities. The bill amends Code sections
7 435.24(6)(b) and 445.36A(2) to allow the county treasurer to
8 apportion such partial payments to the various local taxing
9 entities either on a monthly basis after such amounts are
10 collected or following the due date of the next semiannual tax
11 installment.

12 Current Code section 446.32 allows the purchaser of a
13 parcel sold at tax sale to pay taxes on the parcel for a
14 subsequent year beginning 14 days following the date from which
15 a subsequent year's installment becomes delinquent as provided
16 in Code section 445.37. The bill changes the period of time
17 for when the purchaser may begin paying taxes for a subsequent
18 year to one month and 14 days following the date from which an
19 installment becomes delinquent.

20 The bill enacts new Code section 558.47. New Code section
21 558.47 provides that when real property is transferred and
22 prorated property taxes or assessments on the property are
23 calculated as part of the transaction for payment by either the
24 grantor or the grantee, the closing agent, real estate agent,
25 or attorney shall, upon the receipt of any such payment for
26 property taxes or assessments, pay the entire amount to the
27 county treasurer or, if provided for in the transaction, to the
28 designated escrow agent. If paid to the county treasurer, the
29 county treasurer shall apply the amount to the tax liability of
30 the property in the manner described in Code section 445.36A.